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C O N F I D E N T I A L SECTION 01 OF 05 BAGHDAD 003500

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TAGS: [EAID](#) [ELTN](#) [ENRG](#) [EPET](#) [PREL](#) [IZ](#) [KCRS](#)

SUBJECT: PROGRESS REPORT ON KEY INITIATIVES FOR THE
THREE-WEEK PERIOD ENDING AUGUST 19, 2005

REF: A. BAGHDAD 3162

[B](#). BAGHDAD 2962

[C](#). BAGHDAD 2785

[D](#). BAGHDAD 2534

[E](#). BAGHDAD 2362 AND PREVIOUS

[F](#). KIRKUK 91

[G](#). ANKARA 2912

Classified By: Deputy Chief of Mission David M. Satterfield for reasons
1.4 (b) and (d)

[1](#). (C) Following is Embassy Baghdad's latest update on the
status of Key Initiatives. See reftels for prior updates.

ELECTRICITY UPDATE

[2](#). (C/NF) Status:

-- Generation: Iraq Electricity - During the reporting
period, the average peak generation for each of the last
three weeks increased from 4,338 to 4,509 megawatts (MW),
finally reaching 4,683 MW. Total electricity generation for
the past week averaged 103,934 megawatt hours (MWh) per day.
The average hours of power nationwide for the last two weeks
remained steady at 12 hours per week after dipping below 12
hours during the first week. The average demand for the last
week rose to 8,727 MW, a 10 MW increase from the previous
week, continuing a slowly increasing trend for the period.

-- Generation: Baghdad Electricity - During the reporting
period, the average peak availability for Baghdad was 1,294
MW (364 MW more than the previous week, returning to the same
levels from the start of this period). During the first
week, power distribution dropped 21 percent due to tower
loss, with an additional 6 percent lQ the second week. By
the third week, the total average electricity distribution
reached 29,409 MWh per day, a 43 percent increase due to a
more balanced power transfer from the North and the West.
Baghdad's power availability averaged eight hours per day
after last week's average of 5 hours per day, and 7 hours per
day the week before. The South maintained an average of 15
hours per day for the entire period. Feeder rotation for
Baghdad has been two hours of electricity on, four hours off:
an improvement from the 1.5 hours on, 4.5 hours off rotation
the first two weeks.

-- Summer Action Plan - During the first week of the
reporting period, constant attacks to the towers in the
Samarra area, which transfer 600 MW to Baghdad; unscheduled
outages of large thermal generation units; and a persistent
fuel shortage eventually compromised another 300 MW. These
conditions will delay the goal of reaching 5,100 MW peak
generation by several weeks. Diesel quantities available for
summer electricity will not exceed 3.5 million liters per day
(ML/D) and will average closer to 3 ML/D. After negotiations
with the Ministries of Oil and Finance, the Ministry of
Electricity (MoE) expected 6 ML/D by June 2005. However,
Turkish diesel suppliers have stopped additional deliveries
pending resolution of current and arrears payments. The loss
of these supplies has resulted in a 400 MW reduction of power
off the grid. The Electricity Working Group is addressing
this issue and coordinating projects expected for completion
during winter 2005 and summer 2006.

-- Transmission - The six towers downed due to conductor line
failure on the Baghdad West to Baghdad North 400KV Line were
raised, synchronized, and energized on August 11. As a
result, the Baghdad West substation will transit and
distribute power more efficiently to the northern parts of
the city, adding redundancy to the Baghdad transmission loop.
The damage to the 400KV transmission lines on the Khor
Zubayr to Hartha line caused by the dust storm and high winds
on August 8 has resulted in a one-day reduction in hours of
power in Basrah.

-- Additional Generation - The two thermal units at the
Mussiab power plants that were down for unscheduled
maintenance have been generating 325 MW this week. At the
Doura power plant, only one of four thermal plants has been
running, adding only 80MW to the grid. By the end of the
week on August 11, the V64 gas turbine at Kirkuk went offline

due to a changing of the gearbox.

Import of Power - Imports of power from Syria, Turkey and Iran averaged 283 MW this week - an increase of 12 MW from the previous week, which was already up 27 MW from the week prior.

Fuel Supply - The C-6 Natural Gas Pipeline that was interdicted 25 km north of the Thar Thar canal - near Samarra - returned to service this week, restoring fuel to the Taji and Daura power plants.

-- Electric power for the reporting period:

- Baghdad average hours of electric power: 8 hours per day during the last week, up from the 7 hours the previous week and 5 hours the first week.
- National average hours of electric power: 12 hours per day during the second week of the reporting period, a decrease of 2 hours from the previous week.

- Total peak-electrical output for Iraq by the end of the period was 4,760 MW.

OIL UPDATE

13. (C/NF) Status:

-- Record Oil Revenues for Iraq (July, 2005) - Monthly oil exports have held fairly constant over the past eight months at around 1.6M barrels per day (Bbl/d). Terrorist attacks on pipelines and refineries have hampered attempts to increase exports. Recent record world oil prices have enabled Iraq to achieve an all-time high income from oil exports, which is badly needed for reconstruction and public support. About 97 percent of Iraqi revenue derives from oil exports. The estimated revenue for 2005 increased from \$12.7 billion to \$13.3 billion.

-- Northern Exports at Record High - Crude oil exports through the Port of Ceyhan on Turkey's Mediterranean coast have reached a daily average of 200,000 for the month of July. Kirkuk production has held at 400,000 barrels per day (Bbl/d), the highest daily average since December 2004.

-- Hydrocracker Commissioned for Operation at the Baiji Refinery - The hydrocracker unit at Baiji, used for the first time since 1983, will start operation this week at one-half of design capacity (30 million barrels per day). The unit will help increase gasoline and diesel fuel production at the refinery by converting low value fuel oil into diesel fuel. The plant will burn the fuel in the thermal power operation as part of the \$30 million hydrocracker project managed by Iraqi Ministry of Oil (MoO).

-- Ministry Council Rejects Proposal for Fuel Price Reform - A task force led by the Ministry of Finance prepared a proposal for fuel price reform in Iraq. The Ministry Council rejected the proposal, which called for an across-the-board increase in fuel prices in Iraq, pending the outcome of the referendum and general elections. Current subsidies on fuel costs are believed to be detrimental to the growth of a vibrant free market economy.

JUDICIAL AFFAIRS

14. (C/NF) Status: Criminal Investigation Capacity -

-- As the Iraqi criminal justice system struggles to absorb thousands of cases related to insurgent attacks, DOJ identified an urgent need to encourage a cooperative relationship between the Iraqi judiciary and police. The lack of such a relationship hampers the Iraqi criminal justice system's ability to deal with the insurgency and contributes to a breakdown of legal order.

-- The Iraqi criminal justice system relies on an Investigative Judge (IJ) as a central figure in criminal investigations. The IJ is charged with directing the field phase of the investigation from the outset of the crime, conducting an in-court investigative hearing to compile evidence, and determining whether to remand the case for trial. Historically, there has been a low level of trust between the Iraqi judiciary and the police, thereby limiting cooperation between IJs and police officers in criminal investigations. Consequently, investigations are incomplete, perpetrators go undetected, and detainees are held for protracted periods without resolution of their charges. In some cases, IJs order detainees released for insufficient evidence, and police disregard those orders, convinced the detainees are insurgents. Should this practice become a pattern, the situation threatens a breakdown in legal order between courts and police.

-- To address this problem, the Higher Juridical Council (HJC) has indicated a preference for a civilianized investigative process. IJs would conduct criminal investigations, assisted by civilian judicial investigators working for the court, not police officers. Forensic labs would operate under court direction. DOJ attorneys have recommended to the HJC that it instead look to the French model, where police officers are placed under the operational control of IJs for the purpose of facilitating cooperative police-court investigations, but nonetheless remain police officers. The Chief Judge of the HJC has indicated that he is not necessarily opposed to this arrangement, but is skeptical of Ministry of Interior (MOI) cooperation.

-- In an effort to increase cooperation between the judiciary and police in criminal investigations, DOJ attorneys presently are working with MNC-I to assess the status of the investigative function in Iraqi court districts around the country. The next step will be to encourage regular meetings, if necessary, between IJs and police investigators to discuss general problems and concerns in conducting criminal investigations and to formulate investigative strategies for specific cases. Such meetings would be held under US leadership (JAG attorneys and/or International Police Liaison Officers, or IPLOs).

DOJ believes these meetings would forge personal and professional relationships between IJs and police officers, thereby enhancing cooperation in criminal investigations. These meetings also would replicate the cooperative relationship between prosecutor and police necessary in criminal justice systems that embody strong guarantees of individual rights. In designing its program to jointly train judges and police officials in management and investigations, the European Union recognized the same need for a strong IJ-police relationship.

-- DOJ attorneys and CPATT also are working to implement a forensic evidence training program for Iraqi judges and other court personnel. Iraqi judges report that such scientific knowledge was denied them under Saddam and there is an urgent need for such training in the judiciary. CPATT trainers already provide forensic evidence training to Iraqi police in criminal investigations courses. DOJ expects that the first training session for court personnel will be conducted within the next two months at the Central Criminal Court of Iraq in Baghdad. Thereafter, the course will be offered to court personnel from other criminal courts.

-- DOJ attorneys are working with CPATT to ensure that US IPLOs are familiar with operation of the Iraqi criminal justice system, allowing IPLOs to more effectively mentor police in moving cases through the court system.

-- Additionally, DOJ and FBI are working to establish a major crimes investigations task force partnering Iraqi police investigators and US federal agents. The US agents would mentor the Iraqi officers in investigations of attacks aimed at Iraqi government officials. This would provide the Iraqi officers with field training in building prosecutable cases based largely on forensic or other circumstantial evidence, rather than relying on confessions, as is the current practice. The task force also would focus on establishing a close working relationship between the Iraqi police investigators and IJs of the Central Criminal Court of Iraq, which prosecutes major insurgency cases.

-- The INL Judicial Integrity Project facilitated judicial input into the constitution drafting process. The project assisted the HJC to hold meetings with constitution drafting committee members to voice concerns over sections that may prove problematic for rule of law and human rights.

-- INL Rule of Law Program is supporting the HJC to determine funding priorities in preparation for the international donor process and the new Rule of Law Sector Working Group.

15. (C) Next Steps:

-- Ensure that US International Police Liaison Officers (IPLOs) and International Police Trainers (IPTs) working in Iraq are trained in operation of the Iraqi criminal justice system.

-- Encourage regular meetings between Iraqi IJs and police investigators to institutionalize a cooperative working relationship between the Iraqi judiciary and police, thereby alleviating the courts' concern that the investigative function be civilianized.

-- Establish a joint US-Iraq criminal investigations task force to deal with insurgent attacks aimed at destabilizing the government; field train Iraqi investigators; and encourage close cooperation between those investigators and IJs.

-- Provide forensic evidence training to the Iraqi judiciary to better equip IJs to lead investigations.

RULE OF LAW

16. (C/NF) Status:

-- The Embassy's Rule of Law Task Force (RLTF) met for the second time on August 13. The Task Force's mandate is to develop a rule of law strategy that builds on the existing INL rule of law strategy, and lays the groundwork for comprehensive, coordinated USG assistance.

-- The RLTF leadership traveled to Fallujah and met with USG representatives working on rule of law in Al Anbar, Karbala, An Najaf and Babil provinces. There they obtained detailed information regarding the status of criminal justice systems in these areas. This visit was the first in a series of trips to Iraqi provinces intended to assist the RLTF in developing its overall rule of law strategy.

-- Justice Integration: The INL Justice Integration Project has formed the inter-ministerial steering committee that will report to the Ministers of Justice and Interior, and the Chief Justice of the HJC. This group is tasked with developing policies, procedures and IT solutions that integrate police, courts and prisons.

-- The INL Rule of Law Program is continuing to take a lead in the new donor coordination process. INL is working with relevant local stakeholders to develop an Iraqi strategy that can be presented at the Rule of Law Sector Working Group.

PRDC and PST

17. (C/NF) Status:

-- All 15 (non-Kurdistan Regional Governmental) provinces have continued to hold Provincial Reconstruction and Development Committee (PRDC) meetings with varying levels of success and participation from provincial government officials. Embassy representatives will continue to lead a comprehensive campaign to promote the PRDC initiative with provincial government officials, the Interim Iraqi Government, political leaders and other donors.

-- Staffing appears to be a major concern in almost all of the Provincial Support Teams (PSTs). Insufficient personnel hampers the organizations' ability to meet and interact with the Provincial Councils and PRDCs, greatly limiting their potential for success.

-- All of the PRDC/PST organizations will soon be encountering time limits imposed by the use of CERP funds. Commanders must have their programs identified and sufficient documentation available to allocate money to the projects and to authorize the spending of those funds. Baghdad Province has identified August 29 as the last day to have final packages completed and submitted for CERP funding.

-- This initiative stresses the improvement and creation of capacity development within the governance process. Provinces that do not promote democratic ideals should be held accountable for their actions. A case in point is the PRDC in Baghdad. This very successful program is being re-evaluated following the armed assault and takeover of the mayor's office by the provincial governor.

18. (C/NF) Next steps:

--Continue to encourage regular meetings with provincial leaders and coordination between PRDCs and PCs.

-- Continue to discuss issues considered detrimental to the PRDC Initiative, and aggressively pursue those circumstances and relationships viewed as strengths.

-- Continue to pursue various sources of funding and prompt PRDC and PC members to show initiative in also seeking funding sources.

-- To enhance interaction between the PSTs, promote the idea of quarterly or monthly meetings between team chairpersons.
Khalilzad